PART IV

Section 1-C (i)

STATUTORY RULES AND NOTIFICATIONS ISSUED BY THE CENTRAL GOVERNMENT AND REPUBLISHED BY THIS GOVERNMENT

NOTIFICATION.

(LAW DEPARTMENT)

No LAW 283 LCR 63 dated Bangalore, the 29th July 1963.

Ordered that the accompanying Notification No. G.S.R 1073, dated the 22nd June 1963, of the Ministry of Food and Agriculture (Department of Agriculture) issuing the Land Acquisition (Companies) Rules, 1963, which has been published in the *Gazette of India* Extraordinary, Part II, Section 3, sub-section (i), dated the 24th June 1963, be re-published in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

T. VENKATANARANAPPA,
110 *Under Secretary to Government*, I/c *L D*

GOVERNMENT OF INDIA

MINISTRY OF FOOD AND AGRICULTURE

(Department of Agriculture)

NOTIFICATION

New Delhi, the 22nd June 1963

G S R. 1073.—In exercise of the powers conferred by section 55 of the Land Acquisition Act, 1894 (1 of 1894), the Central Government hereby makes the following rules for the guidance of the State

Governments and the officers of the Central Government and of the State Governments, namely: —

1. **Short title and application** —(1) These rules may be called the Land Acquisition (Companies) Rules, 1963

(2) These rules shall apply to acquisition of land for all Companies under Part VII of the Act

2 **Definitions.**—In these rules,—

(i) "Act" means the Land Acquisition Act, 1894 (1 of 1894), and

(ii) "Committee" means the Land Acquisition Committee constituted under rule 3.

3. **Land Acquisition Committee** —(1) For the purpose of advising the appropriate Government in relation to acquisition of land under Part VII of the Act, the appropriate Government shall, by notification in the Official Gazette, constitute a Committee to be called the Land Acquisition Committee.

(2) The Committee shall consist of—

(i) the Secretaries to the Government of the Departments of Revenue, Agriculture and Industries or such other officers of each of the said Departments as the appropriate Government may appoint, and

(ii) such other members as the appropriate Government may appoint, for such term as that Government may, by order, specify.

(3) The appropriate Government shall appoint one of the members of the Committee to be its Chairman.

(4) The Committee shall regulate its own procedure.

(5) It shall be duty of the Committee to advise the appropriate Government on all matters relating to or arising out of acquisition of land under Part VII of the Act, on which it is consulted and to tender its advice within one month from the date on which it is consulted

Provided that the appropriate Government may on a request being made in this behalf by the Committee and for sufficient reasons extend the said period to a further period not exceeding two months

4. **Appropriate Government to be satisfied with regard to certain matters before initiating acquisition proceedings** —(1) Whenever a Company makes an application to the appropriate Government for acquisition of any land that Government shall direct the Collector to submit a report to it on the following matters, namely —

(i) that the Company has made its best endeavour to find out lands in the locality suitable for the purpose of the acquisition,

(ii) that the Company has made all reasonable efforts to get such lands by negotiation with the persons interested therein on payment of reasonable price and such efforts have failed,

(iii) that the land proposed to be acquired is suitable for the purpose,

(iv) that the area of land proposed to be acquired is not excessive,

(v) that the Company is in a position to utilise the land expeditiously, and

(vi) where the land proposed to be acquired is good agricultural land, that no alternative suitable site can be found so as to avoid acquisition of that land.

(2) The Collector shall, after giving the Company a reasonable opportunity to make any representation in this behalf, hold an enquiry into the matters referred to in sub-rule (1) and while holding such enquiry he shall,—

(i) in any case where the land proposed to be acquired is agricultural land consult the Senior Agricultural Officer of the district whether or not such land is good agricultural land,

(ii) determine, having regard to the provisions of sections 23 and 24 of the Act, the approximate amount of compensation likely to be payable in respect of the land which, in the opinion of the Collector, should be acquired for the Company, and

(iii) ascertain whether the Company offered a reasonable price (not being less than the compensation so determined), to the persons interested in the land proposed to be acquired

Explanation —For the purpose of this rule "good agricultural land" means any land which, considering the level of agricultural production and the crop pattern of the area in which it is situated, is of average or above average productivity and includes a garden or grove land.

(3) As soon as may be after holding the enquiry under sub-rule (2) the Collector shall submit a report to the appropriate Government and a copy of the same shall be forwarded by that Government to the Committee

(4) No declaration shall be made by the appropriate Government under section 6 of the Act unless—

(i) the appropriate Government has consulted the Committee and has considered the report submitted under this rule and the report if any, submitted under section 5-A of the Act, and

(ii) the agreement under section 41 of the Act has been executed by the Company

5. **Matters to be provided in the agreement under Section 41** —(1) The terms of the agreement referred to in Section 41 of the Act shall include the following matters, namely —

(i) that the Company shall not, except with the previous sanction of the appropriate Government, use the land for any purpose other than that for which it is acquired,

(ii) that the time within which the dwelling houses or amenities directly connected therewith shall be erected or provided or the building or work shall be constructed or executed shall not exceed three years from the date of transfer of the land to the Company,

(iii) that where the appropriate Government is satisfied after such enquiry as it may deem necessary that the Company was prevented by reasons beyond its control from erecting, providing, constructing or executing dwelling houses or amenities or any building or work within the time specified in the agreement, the appropriate Government may extend the time for that purpose by a period not exceeding one year at a time so however that the total period of extension shall not exceed three years,

(iv) that if the Company commits a breach of any of the conditions provided for in the agreement, the appropriate Government may make an order declaring the transfer of the land to the Company as null and void whereupon the land shall revert back to the appropriate Government and directing that an amount not exceeding one-fourth of the amount paid by the Company to the appropriate Government as the cost of acquisition under clause (1) of section 41 of the Act shall be forfeited to the appropriate Government as damages and the balance shall be refunded to the Company, and the order so made shall be final and binding,

(v) that if the Company utilises only a portion of the land for the purpose for which it was acquired and the appropriate Government is satisfied that the Company can continue to utilise the portion of the land used by it even if the unutilised part thereof is resumed, the appropriate Government may make an order declaring the transfer of the land with respect to the unutilised portion thereof as null and void whereupon such unutilised portion shall revert back to the appropriate Government and directing that an amount not exceeding one-fourth of such portion of the amount paid by the Company as cost of the acquisition under clause (1) of section 41 of the Act as is relatable to the unutilised portion shall be forfeited to the appropriate Government as damages and that balance of that portion shall be refunded to the Company and the order so made shall, subject to the provisions of clause (vi), be final and binding,

(vi) that where there is any dispute with regard to the amount relatable to the unutilised portion of the land, such dispute shall be referred to the Court within whose jurisdiction the land or any part thereof is situated and the decision of that Court thereon shall be final.

(2) Where the Company commits a breach of any of the terms of the agreement, the appropriate Government shall not make an order under clause (iv) or clause (v) of sub-rule (1), unless the Company has been given an opportunity of being heard in the matter

(3) The appropriate Government shall consult the Committee before according any sanction under clause (1) of sub rule (1) or extending the time under clause (iii) or making any order under clause (iv) or clause (v) of that sub-rule

6 **Additional matters which may be provided in the Agreement under Section 41.**—(1) Without prejudice to the provisions of rule 5, the terms of the agreement referred to in section 41 of the Act may also include the following matters, namely —

that, in any case of urgency where possession of any land is proposed to be taken under section 17 before an award has been made under section 11 of the Act, the Company shall deposit with the Collector, free of interest, such amount [being not more than two-thirds of the approximate amount of compensation payable in respect of the land as determined under clause (ii) of sub rule (2) of rule 4], and within such time as the Collector thinks fit, to specify in this behalf

(2) Where any amount has been deposited with the Collector under sub-rule (1), the Collector shall tender payment of the amount so deposited to the persons interested who, in the opinion of the Collector are entitled to receive payment of compensation under sub-section (1) of section 31 of the Act and shall pay it to them, unless prevented by some one or more of the contingencies mentioned in sub section (2) of section 31 of the Act subject to the following conditions, namely —

(i) the execution of an agreement by each recipient that the amount received by him would be adjusted against the compensation finally awarded and that where the amount received by him exceeds the amount of the compensation finally awarded, the excess amount shall be recoverable from him as an arrears of land revenue and that he shall not claim any interest under the provisions of the Act in respect of the amount received by him under this sub-rule , and

(ii) the execution of a bond by each recipient with or without security as the Collector may decide undertaking to indemnify the appropriate Government against any claim for compensation or part thereof by any other person.

(3) If the amount deposited by the Company under sub-rule (1) or any part thereof is not paid under sub-rule (2), the Collector shall, as soon as practicable, refund the same to the Company.

7. **Submission of periodical reports**.—For the purpose of ensuring that the conditions provided for in the agreement executed by the Company are complied with, the appropriate Government may direct the Collector or such other officer as that Government may appoint for the purpose, to submit to it and to the Committee, a periodical report, at such intervals of time as it may specify, indicating the conditions which have been or have not been complied with as well as the steps taken by the Company towards their compliance.

8 **Conditions under which sanction may be given for transfer of land.**—Where a Company for which land has been acquired under the Act applies for the previous sanction of the appropriate Governmet for the transfer of that land or any part thereof by sale, gift, lease or otherwise, no such sanction shall be given unless—

(i) the proposed transfer of land alongwith dwelling houses, amenities, buildings or work, if any, is to some other Company or where the Company is a co operative society, such transfer is to any or all of its members, or

(ii) where the land has been acquired solely for the erection of dwelling house for workmen employed by the Company, the proposed transfer of the land along with dwelling houses, if any is to such workmen or their dependent heirs ,

Provided that before giving any such sanction the appropriate Government shall consult the Committee

9 **Special provisions in relation to certain Companies**.—(1) When an application is made to the appropriate Government for acquisition of any land by a Company, other than a Company owned or controlled by the Central Government or any State Government such acquisition shall ordinarily be made in accordance with the provisions of Part VII of the Act.

(2) Where any land is proposed to be acquired for a Company, other than a company owned or controlled by the Central Government or any State Government the special powers conferred on the appropriate Government under section 17 of the Act shall not be exercisable unless it is satisfied that it is necessary to do so in order to avoid danger to life or property or that it is otherwise necessary to do so in public interest.

10. **Repeal**.—All rules made by the appropriate Government for the guidance of its officers with respect to acquisition of land for Companies under Part VII of the Act and in force immediately before the commencement of these rules shall, to the extent of the repugnancy, cease to have effect

[No F 4-16/62-C(G)]

G R KAMAT, *Secy.*